

Senate File 2308 - Reprinted

SENATE FILE 2308
BY COMMITTEE ON ECONOMIC
GROWTH/REBUILD IOWA

(SUCCESSOR TO SSB 3110)

(As Amended and Passed by the Senate March 6, 2012)

A BILL FOR

1 An Act relating to economic development by affecting programs,
2 tax incentives, and project completion and other assistance
3 administered by the economic development authority, by
4 abolishing the film tax credit program, by replacing
5 references to the economic development fund and financial
6 assistance program, and by providing spending authority,
7 by providing for properly related matters, and including
8 effective date and retroactive and other applicability
9 provisions.
10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

HIGH QUALITY JOBS PROGRAM AND RELATED ASSISTANCE AND PROGRAMS

Section 1. Section 15.327, subsections 2, 5, 7, 8, 10, 12, and 13, Code Supplement 2011, are amended to read as follows:

2. ~~"Benefit" has the same meaning as defined in section 15G.101~~ means nonwage compensation provided to an employee.

Benefits typically include medical and dental insurance plans, pension, retirement, and profit-sharing plans, child care services, life insurance coverage, vision insurance coverage, disability insurance coverage, and any other nonwage compensation as determined by the board.

5. ~~"Created job" has the same meaning as defined in section 15G.101~~ means a new, permanent, full-time equivalent position added to a business's payroll in excess of the business's base employment level.

7. ~~"Fiscal impact ratio" has the same meaning as defined in section 15G.101~~ means a ratio calculated by estimating the amount of taxes to be received from a business by the state and dividing the estimate by the estimated cost to the state of providing certain project completion assistance and tax incentives to the business, reflecting a ten-year period and expressed in terms of current dollars. For purposes of the program, "fiscal impact ratio" does not include taxes received by political subdivisions.

8. ~~"Maintenance period completion date" has the same meaning as defined in section 15G.101~~ means the date on which the maintenance period ends.

10. ~~"Project completion date" has the same meaning as defined in section 15G.101~~ means the date by which a recipient of project completion assistance has agreed to meet all the terms and obligations contained in an agreement with the authority.

12. ~~"Qualifying wage threshold" has the same meaning as defined in section 15G.101~~ means the laborshed wage for an eligible business.

1 13. ~~"Retained job" has the same meaning as defined in~~
2 ~~section 15G.101~~ means a full-time equivalent position, in
3 existence at the time an employer applies for financial
4 assistance which remains continuously filled and which is at
5 risk of elimination if the project for which the employer is
6 seeking assistance does not proceed.

7 Sec. 2. Section 15.327, Code Supplement 2011, is amended by
8 adding the following new subsections:

9 NEW SUBSECTION. 1A. "*Base employment level*" means the
10 number of full-time equivalent positions at a business,
11 as established by the authority and a business using the
12 business's payroll records, as of the date a business applies
13 for incentives or project completion assistance under the
14 program.

15 NEW SUBSECTION. 2A. "*Business engaged in disaster recovery*"
16 means a business located in an area declared a disaster area
17 by a federal official, that has sustained substantial physical
18 damage, that has closed as the result of a natural disaster,
19 and that has a plan for reopening that includes employing a
20 substantial number of the employees the business employed
21 before the natural disaster occurred.

22 NEW SUBSECTION. 6A. "*Financial assistance*" means assistance
23 provided only from the funds, rights, and assets legally
24 available to the authority pursuant to this chapter and
25 includes but is not limited to assistance in the form of
26 grants, loans, forgivable loans, and royalty payments.

27 NEW SUBSECTION. 7A. "*Full-time equivalent position*" means
28 a non-part-time position for the number of hours or days per
29 week considered to be full-time work for the kind of service
30 or work performed for an employer. Typically, a full-time
31 equivalent position requires two thousand eighty hours of work
32 in a calendar year, including all paid holidays, vacations,
33 sick time, and other paid leave.

34 NEW SUBSECTION. 7B. "*Fund*" means a fund created pursuant
35 to section 15.335B.

1 NEW SUBSECTION. 7C. "*Laborshed wage*" means the wage level
2 represented by those wages within two standard deviations
3 from the mean wage within the laborshed area in which the
4 eligible business is located, as calculated by the authority,
5 by rule, using the most current covered wage and employment
6 data available from the department of workforce development for
7 the laborshed area.

8 NEW SUBSECTION. 7D. "*Maintenance period*" means the period
9 of time between the project completion date and the maintenance
10 period completion date.

11 NEW SUBSECTION. 8A. "*Necessary physical infrastructure*
12 *project*" means a project that creates necessary infrastructure
13 for economic success throughout Iowa, provides the foundation
14 for the creation of jobs, and involves the investment of
15 a substantial amount of capital. Physical infrastructure
16 projects include but are not limited to projects involving
17 any mode of transportation; public works and utilities such
18 as sewer, water, power, or telecommunications; physical
19 improvements that mitigate, prevent, or eliminate environmental
20 contamination; and other similar projects deemed to be physical
21 infrastructure by the authority.

22 NEW SUBSECTION. 9A. "*Program support*" means the services
23 necessary for the efficient administration of this part,
24 including the delivery of program services to eligible
25 businesses. "*Program support*" may include the administrative
26 costs of providing project assistance, conducting a statewide
27 laborshed study in coordination with the department of
28 workforce development, outreach to business and marketing of
29 programs, the procurement of technical assistance, and the
30 implementation of information technology.

31 NEW SUBSECTION. 9B. "*Project completion assistance*" means
32 financial assistance or technical assistance provided to
33 an eligible business in order to facilitate the start-up,
34 location, or expansion of the business in this state and
35 provided in an expedient manner to ensure the successful

1 completion of the start-up, location, or expansion project.

2 NEW SUBSECTION. 10A. "*Project completion period*" means the
3 period of time between the date financial assistance is awarded
4 and the project completion date.

5 Sec. 3. Section 15.329, subsection 1, unnumbered paragraph
6 1, Code Supplement 2011, is amended to read as follows:

7 To be eligible to receive incentives or assistance
8 under this part, a business shall meet all of the following
9 requirements:

10 Sec. 4. Section 15.329, subsection 1, paragraph b, Code
11 Supplement 2011, is amended to read as follows:

12 b. (1) The business has not closed or substantially
13 reduced operations in one area of this state and relocated
14 substantially the same operations in a community in another
15 area of this state shall not be solely relocating operations
16 from one area of the state while seeking state or local
17 incentives. A project that does not create new jobs or
18 involve a substantial amount of new capital investment shall
19 be presumed to be a relocation. In determining whether a
20 business is solely relocating operations for purposes of this
21 subparagraph, the authority shall consider a letter of support
22 for the move from the affected local community.

23 (2) The business shall not be in the process of reducing
24 operations in one community while simultaneously applying
25 for assistance under the program. For purposes of this
26 subparagraph, a reduction in operations within twelve months
27 before or after an application for assistance is submitted to
28 the authority shall be presumed to be a reduction in operations
29 while simultaneously applying for assistance under the program.

30 (3) This paragraph shall not be construed to prohibit
31 a business from expanding its operation in a community if
32 existing operations of a similar nature in this state are not
33 closed or substantially reduced.

34 Sec. 5. Section 15.329, subsection 1, paragraph c,
35 subparagraphs (1) and (2), Code Supplement 2011, are amended

1 to read as follows:

2 (1) If the business is creating jobs, the business shall
3 demonstrate that the jobs will pay at least one hundred percent
4 of the qualifying wage threshold at the start of the project
5 completion period, at least one hundred ~~thirty~~ twenty percent
6 of the qualifying wage threshold by the project completion
7 date, and at least one hundred ~~thirty~~ twenty percent of
8 the qualifying wage threshold until the maintenance period
9 completion date.

10 (2) If the business is retaining jobs, the business
11 shall demonstrate that the jobs retained will pay at least
12 one hundred ~~thirty~~ twenty percent of the qualifying wage
13 threshold throughout both the project completion period and the
14 maintenance period.

15 Sec. 6. Section 15.329, subsection 2, Code Supplement 2011,
16 is amended by striking the subsection.

17 Sec. 7. Section 15.330, Code Supplement 2011, is amended to
18 read as follows:

19 **15.330 Agreement.**

20 A business shall enter into an agreement with the authority
21 specifying the requirements that must be met to confirm
22 eligibility pursuant to this part. The authority ~~shall~~ may
23 consult with the community during negotiations relating to the
24 agreement. The agreement shall contain, at a minimum, the
25 following provisions:

26 1. A business that is approved to receive incentives
27 or assistance under this part shall, for the length of the
28 agreement, certify annually to the authority the compliance of
29 the business with the requirements of the agreement. If the
30 business receives a local property tax exemption, the business
31 shall also certify annually to the community the compliance of
32 the business with the requirements of the agreement.

33 2. The repayment of incentives or financial assistance
34 by the business if the business does not meet any of the
35 requirements of this part or the resulting agreement.

1 3. If a business that is approved to receive incentives
2 or assistance under this part experiences a layoff within the
3 state or closes any of its facilities within the state, the
4 authority shall have the discretion to reduce or eliminate
5 some or all of the incentives or assistance. If a business
6 has received incentives or assistance under this part and
7 experiences a layoff within the state or closes any of its
8 facilities within the state, the business may be subject to
9 repayment of all or a portion of the incentives or financial
10 assistance that it has received.

11 4. A project completion date, a maintenance period
12 completion date, the number of jobs to be created or retained,
13 or certain other terms and obligations ~~described in section~~
14 ~~15G.112, subsection 1, paragraph "d",~~ as the authority
15 deems necessary in order to make the requirements in project
16 agreements uniform. The authority, with the approval of
17 the board, may adopt rules as necessary for making such
18 requirements uniform. Such rules shall be in compliance with
19 the provisions of this part ~~and with the provisions of chapter~~
20 ~~15G.~~

21 5. The amount and type of project completion assistance to
22 be provided under section 15.335B.

23 6. The amount of matching funds to be received by a business
24 from a city or county. The authority shall adopt by rule a
25 formula for determining the amount of matching funds required
26 under the program.

27 7. The business shall not be relocating or reducing
28 operations as described in section 15.329, subsection 1,
29 paragraph "b".

30 8. The proposed project shall not negatively impact other
31 businesses in competition with the business being considered
32 for assistance. The authority shall make a good-faith effort
33 to identify existing Iowa businesses within an industry in
34 competition with the business being considered for incentives
35 or assistance. The authority shall make a good-faith effort

1 to determine the probability that the proposed incentives or
2 assistance will displace employees of the existing businesses.
3 In determining the impact on businesses in competition with the
4 business being considered for incentives or assistance, jobs
5 created or retained as a result of other jobs being displaced
6 elsewhere in the state shall not be considered direct jobs
7 created or retained.

8 9. A report submitted to the authority with its application
9 describing all violations of environmental law or worker
10 safety law within the last five years. If, upon review of the
11 application, the authority finds that a business has a record
12 of violations of the law, statutes, rules, or regulations that
13 tends to show a consistent pattern, the authority shall not
14 provide incentives or assistance to the business unless the
15 authority finds either that the violations did not seriously
16 affect public health, public safety, or the environment, or,
17 if such violations did seriously affect public health, public
18 safety, or the environment, that mitigating circumstances were
19 present.

20 10. That the business shall only employ individuals legally
21 authorized to work in this state. In addition to any and
22 all other applicable penalties provided by current law, all
23 or a portion of the incentives or assistance received under
24 this part by a business that is found to knowingly employ
25 individuals not legally authorized to work in this state is
26 subject to recapture by the authority or by the department of
27 revenue.

28 11. Any terms deemed necessary by the authority to effect
29 compliance with the eligibility requirements of section 15.329.

30 Sec. 8. **NEW SECTION. 15.330A Maintenance of agreements.**

31 1. An eligible business receiving incentives or assistance
32 under this part shall meet all terms and obligations in an
33 agreement by the project completion date, but the board may
34 for good cause extend the project completion date or otherwise
35 amend an agreement.

1 2. During the maintenance period an eligible business
2 receiving incentives or assistance under this part shall
3 continue to comply with the terms and obligations of an
4 agreement entered into pursuant to section 15.330.

5 3. The authority may enforce the terms of an agreement as
6 necessary and appropriate.

7 Sec. 9. Section 15.335A, subsection 1, unnumbered paragraph
8 1, Code Supplement 2011, is amended to read as follows:

9 Tax incentives are available to eligible businesses as
10 provided in this section. The incentives are based upon the
11 number of jobs created or retained that pay at least one
12 hundred ~~thirty~~ twenty percent of the qualifying wage threshold
13 ~~as computed pursuant to section 15G.112, subsection 4, and~~
14 the amount of the qualifying investment made according to the
15 following schedule:

16 Sec. 10. Section 15.335A, subsection 2, paragraphs b, c,
17 f, and g, Code Supplement 2011, are amended by striking the
18 paragraphs.

19 Sec. 11. Section 15.335A, subsections 3 through 5, Code
20 Supplement 2011, are amended to read as follows:

21 3. A community may apply to the economic development
22 authority for a project-specific waiver from the qualifying
23 wage threshold requirement provided in subsection 1 in order to
24 seek tax incentives for an eligible business. The authority
25 may grant a project-specific waiver from the qualifying
26 wage threshold requirement in subsection 1 for the remainder
27 of a calendar year, ~~based on county wage or regional wage~~
28 ~~calculations brought forth by the applicant county including~~
29 ~~but not limited to any of the following:~~

30 ~~a. The county wage calculated without wage data from~~
31 ~~the business in the county employing the greatest number of~~
32 ~~full-time employees~~ if the community meets the requirements of
33 an economically distressed community pursuant to 15.335C.

34 ~~b. The regional wage calculated without wage data from up to~~
35 ~~two adjacent counties.~~

1 ~~c. The county wage calculated without wage data from the~~
2 ~~largest city in the county.~~

3 ~~d. A qualifying wage guideline for a specific project based~~
4 ~~upon unusual economic circumstances present in the city or~~
5 ~~county.~~

6 ~~e. The annualized, average hourly wage paid by all~~
7 ~~businesses in the county located outside the largest city of~~
8 ~~the county.~~

9 ~~f. The annualized, average hourly wage paid by all~~
10 ~~businesses other than the largest employer in the entire~~
11 ~~county.~~

12 ~~4. Each calendar year, the authority shall not approve~~
13 ~~more than three million six hundred thousand dollars worth of~~
14 ~~investment tax credits for projects with qualifying investments~~
15 ~~of less than one million dollars.~~

16 ~~5. 4. The authority shall negotiate the amount of~~
17 ~~tax incentives provided to an applicant under the program~~
18 ~~in accordance with this section and section 15G.112, as~~
19 ~~applicable.~~

20 **Sec. 12. NEW SECTION. 15.335B Assistance for certain**
21 **programs and projects.**

22 1. a. Under the authority provided in section 15.106A,
23 there shall be established one or more funds within the state
24 treasury, under the control of the authority, to be used for
25 purposes of this section.

26 b. A fund established for purposes of this section shall
27 consist of the moneys appropriated or otherwise provided for
28 purposes of this section.

29 c. Interest or earnings on moneys appropriated or provided
30 to a fund to be used for the purposes of this section, and
31 all repayments or recaptures of the assistance provided under
32 this section, shall accrue to the authority and shall be used
33 for purposes of this section, notwithstanding section 12C.7.
34 Moneys in a fund are not subject to section 8.33.

35 2. a. Moneys appropriated or provided pursuant to

1 subsection 1 shall be allocated by the authority in appropriate
2 amounts to be used for the following purposes:

3 (1) For providing project completion assistance to eligible
4 businesses under this part and for program support of such
5 assistance.

6 (2) For providing economic development region financial
7 assistance under section 15E.232, subsections 1, 3, 4, 5, and
8 6.

9 (3) For providing financial assistance for business
10 accelerators pursuant to section 15E.351.

11 (4) For deposit in the innovation and commercialization
12 fund created pursuant to section 15.412.

13 (5) For providing financial assistance to businesses or
14 communities engaged in necessary physical infrastructure
15 projects.

16 (6) For providing financial assistance to businesses
17 engaged in disaster recovery.

18 (7) For providing financial assistance to Iowa's councils
19 of governments.

20 *b.* Each fiscal year, the authority shall estimate the
21 amount of revenues available for purposes of this section and
22 shall develop a budget appropriate for the expenditure of the
23 revenues available.

24 3. In providing assistance under this section, the
25 authority shall make a determination as to the amount and
26 type of assistance that is most appropriate for facilitating
27 the successful completion of an eligible business's project.
28 Before making such a determination, the authority shall do all
29 of the following:

30 *a.* Consider a business's eligibility for the tax incentives
31 available under section 15.335A and ensure that the amount of
32 assistance to be provided appropriately complements the amount
33 and type of tax incentives to be provided.

34 *b.* Consider the amount of private sector investment to be
35 leveraged by the project, including the eligible business's

1 equity investment, debt financing, and any venture capital or
2 foreign investment available, and make a good-faith effort to
3 provide only the amount of incentives and assistance necessary
4 to facilitate the project's successful completion.

5 *c.* Consider the amount and type of the local community
6 match. The authority may provide assistance to an early-stage
7 business in a high-growth industry regardless of the amount of
8 local match involved.

9 *d.* Calculate the fiscal impact ratio of the project and use
10 it to guide the provision of incentives and assistance under
11 this part.

12 *e.* Evaluate the quality of the project based on the factors
13 described in section 15.329, subsection 5, and any other
14 relevant factors.

15 *f.* Ensure that the combined amount of incentives and
16 assistance are appropriate to the size of the project, to
17 the value of the project, to the fiscal impact ratio of the
18 project, and to any other relevant factors.

19 4. Each eligible business receiving assistance under this
20 section shall enter into an agreement with the authority and
21 the agreement shall meet the requirements of sections 15.330
22 and 15.330A.

23 Sec. 13. NEW SECTION. 15.335C **Economically distressed**
24 **areas.**

25 1. *a.* Notwithstanding section 15.329, subsection 1,
26 paragraph "*c*", the authority may provide tax incentives or
27 project completion assistance under this part to an eligible
28 business paying less than one hundred twenty percent of the
29 qualifying wage threshold if that business is located in an
30 economically distressed area.

31 *b.* A business in an economically distressed area receiving
32 incentives or assistance pursuant to this section shall be
33 required to pay at least one hundred percent of the qualifying
34 wage threshold.

35 2. For purposes of this section, "*economically distressed*

1 *area* means a county that ranks among the bottom twenty-five of
2 all Iowa counties, as measured by one of the following:

3 *a.* Average monthly unemployment level for the most recent
4 twelve-month period.

5 *b.* Average annualized unemployment level for the most recent
6 five-year period.

7 Sec. 14. Section 15A.7, subsection 3, Code Supplement 2011,
8 is amended to read as follows:

9 3. That the employer shall agree to pay wages for the jobs
10 for which the credit is taken of at least the ~~county wage or~~
11 ~~the regional laborshed wage~~, as calculated by the authority
12 pursuant to section ~~15G.112~~ 15.327, subsection 3, ~~whichever~~
13 ~~is lower~~ 7C. Eligibility for the supplemental credit shall
14 be based on a one-time determination of starting wages by the
15 community college.

16 Sec. 15. Section 15E.193, subsection 1, paragraph b,
17 subparagraph (1), Code Supplement 2011, is amended to read as
18 follows:

19 (1) The business shall provide a sufficient package of
20 benefits to each employee holding a created or retained job.
21 For purposes of this paragraph, "*created job*" and "*retained job*"
22 have the same meaning as defined in section ~~15G.101~~ 15.327.

23 Sec. 16. Section 15E.193, subsection 1, paragraphs c and d,
24 Code Supplement 2011, are amended to read as follows:

25 *c.* The business shall pay a wage that is at least ninety
26 percent of the qualifying wage threshold. For purposes of this
27 paragraph, "*qualifying wage threshold*" has the same meaning as
28 defined in section ~~15G.101~~ 15.327.

29 *d.* Creates or retains at least ten full-time equivalent
30 positions and maintains them until the maintenance period
31 completion date. For purposes of this paragraph, "*maintenance*
32 *period completion date*" and "*full-time equivalent position*" have
33 the same meanings as defined in section ~~15G.101~~ 15.327.

34 Sec. 17. Section 15E.231, unnumbered paragraph 1, Code
35 Supplement 2011, is amended to read as follows:

1 In order for an economic development region to receive
2 ~~moneys under the economic development financial assistance~~
3 ~~program established in section 15G.112~~ assistance pursuant to
4 section 15.335B, an economic development region's regional
5 development plan must be approved by the authority. An
6 economic development region shall consist of not less than
7 three counties, unless two contiguous counties have a combined
8 population of at least three hundred thousand based on the
9 most recent federal decennial census. An economic development
10 region shall establish a focused economic development effort
11 that shall include a regional development plan relating to one
12 or more of the following areas:

13 Sec. 18. Section 15E.232, subsections 1, 3, 4, 5, and 6,
14 Code Supplement 2011, are amended to read as follows:

15 1. An economic development region may apply for financial
16 assistance from ~~the economic development~~ a fund established
17 pursuant to section 15.335B to assist with the installation
18 of physical infrastructure needs including, but not limited
19 to, horizontal infrastructure, water and sewer infrastructure,
20 and telecommunications infrastructure, related to the
21 development of fully served business and industrial sites by
22 one or more of the region's economic development partners
23 or for the installation of infrastructure related to a
24 new business location or expansion. In order to receive
25 financial assistance pursuant to this subsection, the economic
26 development region must demonstrate all of the following:

27 a. The ability to provide matching moneys on a basis of a
28 one dollar contribution of local matching moneys for every two
29 dollars received from the economic development fund.

30 b. The commitment of the specific business partner
31 including, but not limited to, a letter of intent defining a
32 capital commitment or a percentage of equity.

33 c. That all other funding alternatives have been exhausted.

34 3. An economic development region may apply for financial
35 assistance from ~~the economic development~~ a fund established

1 pursuant to section 15.335B to assist an existing business
2 threatened with closure due to a potential consolidation to an
3 out-of-state location. The economic development region may
4 apply for financial assistance from the economic development
5 fund for the purchase, rehabilitation, or marketing of a
6 building that has become available due to the closing of an
7 existing business due to a consolidation to an out-of-state
8 location. In order to receive financial assistance under this
9 subsection, an economic development region must demonstrate the
10 ability to provide local matching moneys on a basis of a one
11 dollar contribution of local moneys for every three dollars
12 received from the economic development fund.

13 4. An economic development region may apply for financial
14 assistance from ~~the economic development~~ a fund established
15 pursuant to section 15.335B to establish and operate an
16 entrepreneurial initiative. In order to receive financial
17 assistance under this subsection, an economic development
18 region must demonstrate the ability to provide local matching
19 moneys on a basis of a one dollar contribution of local moneys
20 for every two dollars received from the economic development
21 fund.

22 5. *a.* An economic development region may apply for
23 financial assistance from ~~the economic development~~ a fund
24 established pursuant to section 15.335B to establish and
25 operate a business succession assistance program for the
26 region.

27 *b.* In order to receive financial assistance under this
28 subsection, an economic development region must demonstrate
29 the ability to provide local matching moneys on a basis of a
30 one dollar contribution of local moneys for every two dollars
31 received from the economic development fund.

32 6. An economic development region may apply for financial
33 assistance from ~~the economic development~~ a fund established
34 pursuant to section 15.335B to implement economic development
35 initiatives that are either unique to the region or innovative

1 in design and implementation. In order to receive financial
2 assistance under this subsection, an economic development
3 region must demonstrate the ability to provide local matching
4 moneys on a one-to-one basis.

5 Sec. 19. Section 15E.351, subsection 1, Code Supplement
6 2011, is amended to read as follows:

7 1. The economic development authority shall establish and
8 administer a business accelerator program to provide financial
9 assistance for the establishment and operation of a business
10 accelerator for technology-based, value-added agricultural,
11 information solutions, alternative and renewable energy
12 including the alternative and renewable energy sectors listed
13 in section 476.42, subsection 1, paragraph "a", subparagraph
14 (1), or advanced manufacturing start-up businesses or for a
15 satellite of an existing business accelerator. The program
16 shall be designed to foster the accelerated growth of new
17 and existing businesses through the provision of technical
18 assistance. The economic development authority may provide
19 financial assistance under this section from moneys allocated
20 for ~~regional~~ financial assistance for business accelerators
21 pursuant to section ~~15G.111~~ section 15.335B, subsection 9 2.

22 Sec. 20. Section 159A.6B, subsection 2, Code Supplement
23 2011, is amended to read as follows:

24 2. The office may execute contracts in order to provide
25 technical support and outreach services for purposes of
26 assisting and educating interested persons as provided in this
27 section. The office may also contract with a consultant to
28 provide part or all of these services. The office may require
29 that a person receiving assistance pursuant to this section
30 contribute up to fifty percent of the amount required to
31 support the costs of contracting with the consultant to provide
32 assistance to the person. The office shall assist the person
33 in completing any technical information required in order
34 to receive assistance by the economic development authority
35 pursuant to ~~the value-added agriculture component of the~~

1 ~~economic development financial assistance program established~~
2 ~~pursuant to section 15G.112~~ section 15.335B.

3 Sec. 21. Section 266.19, Code Supplement 2011, is amended
4 to read as follows:

5 **266.19 Renewable fuel — assistance.**

6 The university shall cooperate in assisting renewable fuel
7 production facilities supporting livestock operations managed
8 by persons receiving assistance pursuant to ~~the value-added~~
9 ~~agriculture component of the economic development financial~~
10 ~~assistance program established in section 15G.112~~ section
11 15.335B.

12 Sec. 22. Section 455B.104, subsection 2, Code Supplement
13 2011, is amended to read as follows:

14 2. The department shall assist persons applying for
15 assistance to establish and operate renewable fuel production
16 facilities pursuant to ~~the value-added agriculture component~~
17 ~~of the economic development financial assistance program~~
18 ~~established in section 15G.112~~ section 15.335B.

19 Sec. 23. Section 455B.433, Code Supplement 2011, is amended
20 to read as follows:

21 **455B.433 Physical infrastructure assistance — funding —**
22 **liability.**

23 1. The department of natural resources shall work in
24 conjunction with the economic development authority to identify
25 environmentally contaminated sites which qualify for ~~the~~
26 ~~infrastructure component of the economic development financial~~
27 ~~assistance program established in section 15G.112~~ assistance
28 under section 15.335B as necessary physical infrastructure
29 projects. The department shall provide an assessment of the
30 site and shall provide any emergency response activities which
31 the department deems necessary. The department may take any
32 further action, including remediation of the site, that the
33 department deems to be appropriate and which promotes the
34 purposes of the necessary physical infrastructure component
35 project.

1 2. The department shall be reimbursed ~~from the economic~~
2 ~~development fund created in section 15G.111~~ by the economic
3 development authority for any costs incurred pursuant to this
4 section.

5 3. A person shall not have standing pursuant to section
6 455B.111 to commence a citizen suit which is based upon
7 property that is ~~part of the infrastructure component of the~~
8 ~~economic development financial assistance program established~~
9 ~~in section 15G.112~~ receiving assistance pursuant to section
10 15.335B as a necessary physical infrastructure project.

11 Sec. 24. RULES. The economic development authority shall
12 adopt rules for the implementation of this division of this
13 Act.

14 DIVISION II

15 TARGETED INDUSTRIES PROGRAM

16 Sec. 25. Section 15.102, subsection 11, Code Supplement
17 2011, is amended to read as follows:

18 11. "*Targeted industries*" means the ~~same as defined~~
19 ~~in section 15.411, subsection 1~~ industries of advanced
20 manufacturing, biosciences, and information technology.

21 Sec. 26. Section 15.106B, subsection 2, paragraph d,
22 subparagraph (1), Code Supplement 2011, is amended by adding
23 the following new subparagraph division:

24 NEW SUBPARAGRAPH DIVISION. (g) Services related to
25 outreach and assistance to businesses for small business
26 innovation research and technology transfer pursuant to section
27 15.411, subsection 5, or services related to accelerating the
28 generation and development of innovative ideas and businesses
29 pursuant to section 15.411, subsection 6.

30 Sec. 27. Section 15.411, Code Supplement 2011, is amended
31 to read as follows:

32 15.411 ~~Targeted industries~~ Innovative business development —
33 internships — technical and financial assistance.

34 1. As used in this part, unless the context otherwise
35 requires:

1 a. "Innovative business" means the same as defined in
2 section 15E.52.

3 ~~a. b.~~ "Internship" means temporary employment of a student
4 that focuses on providing the student with work experience in
5 the student's field of study.

6 ~~b. "Targeted industries" means the industries of advanced~~
7 ~~manufacturing, biosciences, and information technology.~~

8 2. The authority ~~shall, upon board approval, may~~ contract
9 with service providers on a case-by-case basis for services
10 related to statewide commercialization development ~~in the~~
11 ~~targeted industries of innovative businesses.~~ Services
12 provided shall include all of the following:

13 a. Assistance provided directly to businesses by experienced
14 serial entrepreneurs for all of the following activities:

15 (1) Business plan development.

16 (2) Due diligence.

17 (3) Market assessments.

18 (4) Technology assessments.

19 (5) Other planning activities.

20 b. Operation and coordination of various available
21 competitive seed and prototype development funds.

22 c. Connecting businesses to private angel investors and the
23 venture capital community.

24 d. Assistance in obtaining access to an experienced pool
25 of managers and operations talent that can staff, mentor, or
26 advise start-up enterprises.

27 e. Support and advice for accessing sources of early stage
28 financing.

29 3. The authority shall establish and administer a program
30 to provide financial and technical assistance to encourage
31 prototype and concept development activities by innovative
32 businesses that have a clear potential to lead to commercially
33 viable products or services within a reasonable period of time
34 ~~in the targeted industries.~~ Financial assistance shall be
35 awarded on a per project basis upon board approval. ~~The amount~~

1 ~~of financial assistance available for a single project shall~~
 2 ~~not exceed one hundred fifty thousand dollars. In order to~~
 3 ~~receive financial assistance, an applicant must demonstrate~~
 4 ~~the ability to secure one dollar of nonstate moneys for every~~
 5 ~~two dollars received from the authority. For purposes of this~~
 6 ~~section, "*financial assistance*" means assistance provided only~~
 7 ~~from the funds, rights, and assets legally available to the~~
 8 ~~authority pursuant to this chapter and includes but is not~~
 9 ~~limited to assistance in the form of grants, loans, forgivable~~
 10 ~~loans, and royalty payments.~~

11 ~~4. The authority shall, upon board approval, establish~~
 12 ~~and administer a program to provide financial assistance for~~
 13 ~~projects designed to encourage collaboration between commercial~~
 14 ~~users and developers of information technology in the state~~
 15 ~~for the purpose of commercializing existing software and~~
 16 ~~applications technologies. Financial assistance shall not~~
 17 ~~exceed one hundred thousand dollars per project. In order to~~
 18 ~~receive financial assistance, an applicant must demonstrate the~~
 19 ~~ability to secure two dollars of nonstate moneys for every one~~
 20 ~~dollar received from the authority. Financial assistance shall~~
 21 ~~be awarded to projects that will result in technologies being~~
 22 ~~developed as commercial products for sale by Iowa companies~~
 23 ~~rather than as custom applications for proprietary use by a~~
 24 ~~participating firm.~~

25 ~~5. The authority shall, upon board approval, establish~~
 26 ~~and administer a program to provide financial assistance to~~
 27 ~~businesses or departments of businesses engaged in the delivery~~
 28 ~~of information technology services in the state for the purpose~~
 29 ~~of upgrading the high-level technical skills of existing~~
 30 ~~employees. The amount of financial assistance shall not exceed~~
 31 ~~twenty-five thousand dollars for any business site. In order~~
 32 ~~to receive financial assistance, an applicant must demonstrate~~
 33 ~~the ability to secure two dollars of nonstate moneys for every~~
 34 ~~one dollar received from the authority.~~

35 ~~6. 4. The authority shall, upon board approval, establish~~

1 and administer a ~~targeted industries~~ an innovative businesses
 2 internship program for Iowa students. For purposes of this
 3 subsection, "*Iowa student*" means a student of an Iowa community
 4 college, private college, or institution of higher learning
 5 under the control of the state board of regents, or a student
 6 who graduated from high school in Iowa but now attends an
 7 institution of higher learning outside the state of Iowa. The
 8 purpose of the program is to link Iowa students to small and
 9 medium sized Iowa firms ~~in the targeted industries~~ through
 10 internship opportunities. An Iowa employer may receive
 11 financial assistance in an amount of one dollar for every
 12 two dollars paid by the employer to an intern. The amount
 13 of financial assistance shall not exceed three thousand one
 14 hundred dollars for any single internship, or nine thousand
 15 three hundred dollars for any single employer. In order to be
 16 eligible to receive financial assistance under this subsection,
 17 the employer must have five hundred or fewer employees and must
 18 be ~~engaged in a targeted industry~~ an innovative business. The
 19 authority shall encourage youth who reside in economically
 20 distressed areas, youth adjudicated to have committed a
 21 delinquent act, and youth transitioning out of foster care to
 22 participate in the ~~targeted industries~~ internship program.

23 ~~7. The economic development authority shall work with the~~
 24 ~~department of workforce development to create a statewide~~
 25 ~~supplier capacity and product database to assist the economic~~
 26 ~~development authority in linking suppliers to Iowa-based~~
 27 ~~companies. The economic development authority may procure~~
 28 ~~technical assistance for the creation of the database from a~~
 29 ~~third party through a request for proposals process.~~

30 ~~8. The technology commercialization committee created~~
 31 ~~pursuant to section 15.116 shall review all applications for~~
 32 ~~financial assistance and requests for proposals pursuant to~~
 33 ~~this section and make recommendations to the board.~~

34 ~~9. In each fiscal year, the authority may transfer~~
 35 ~~additional moneys that become available to the authority~~

~~1 from sources such as loan repayments or recaptures of awards
2 from federal economic stimulus funds to the innovation
3 and commercialization development fund created in section
4 15.412, provided the authority spends those moneys for the
5 implementation of the recommendations included in the separate
6 consultant reports on bioscience, advanced manufacturing,
7 information technology, and entrepreneurship submitted to the
8 department in calendar years 2004, 2005, and 2006.~~

9 5. a. (1) The authority shall establish and administer
10 an outreach program for purposes of assisting businesses with
11 applications to the federal small business innovation research
12 and small business technology transfer programs.

13 (2) The goals of this assistance are to increase the number
14 of successful phase II small business innovation research grant
15 proposals in the state, increase the amount of such grant
16 funds awarded in the state, stimulate subsequent investment by
17 industry, venture capital, and other sources, and encourage
18 businesses to commercialize promising technologies.

19 b. (1) In administering the program, the authority may
20 provide technical and financial assistance to businesses.
21 Financial assistance provided pursuant to this subsection shall
22 not exceed twenty-five thousand dollars to any single business.

23 (2) The authority may require successful applicants to
24 repay the amount of financial assistance received, but shall
25 not require unsuccessful applicants to repay such assistance.
26 Any moneys repaid pursuant to this subsection may be used to
27 provide financial assistance to other applicants.

28 c. The authority may also provide financial assistance
29 for purposes of helping businesses meet the matching funds
30 requirements of the federal small business innovation research
31 and small business technology transfer programs.

32 d. The authority may contract with outside service providers
33 for assistance with the programs described in this subsection
34 or may delegate the functions to be performed under this
35 subsection to the corporation pursuant to section 15.106B.

1 6. a. The authority shall establish and administer a
2 program to accelerate the generation and development of
3 innovative ideas and businesses. The program shall include
4 assistance for the expansion of the proof of commercial
5 relevance concept, the expansion of investment in applied
6 research, and support for a manufacturing extension partnership
7 program.

8 b. The authority may contract with outside service providers
9 for assistance with the program described in this subsection
10 or may delegate the functions to be performed under this
11 subsection to the corporation pursuant to section 15.106B.

12 ~~10.~~ 7. The board shall adopt rules pursuant to chapter 17A
13 necessary for the administration of this section.

14 Sec. 28. Section 15.412, subsections 2 and 3, Code
15 Supplement 2011, are amended to read as follows:

16 2. Moneys in the fund are appropriated to the authority and,
17 with the approval of the board, shall be used to facilitate
18 agreements, enhance commercialization ~~in the targeted~~
19 ~~industries~~, and increase the availability of skilled workers
20 ~~within the targeted industries~~ in innovative businesses. Such
21 moneys shall not be used for the support of retail businesses,
22 health care businesses, or other businesses requiring a
23 professional license.

24 3. Moneys in the fund, ~~with the approval of the board,~~ may
25 also be used for the following purposes:

26 a. For assistance to entities providing student internship
27 opportunities.

28 ~~b. For increasing career awareness training.~~

29 ~~c. For recruiting management talent.~~

30 ~~d.~~ b. For assistance to entities engaged in prototype and
31 concept development activities.

32 ~~e.~~ c. For developing a statewide commercialization network.

33 ~~f. For deploying and maintaining an Iowa entrepreneur~~
34 ~~website.~~

35 ~~g. For funding asset mapping and supply chain initiatives,~~

1 ~~including for identifying methods of supporting lean~~
2 ~~manufacturing practices or processes.~~

3 ~~h. For information technology training.~~

4 ~~i. For networking events to facilitate the transfer of~~
5 ~~technology among researchers and industries.~~

6 ~~j. For funding student competition programs.~~

7 ~~k. For the purchase of advanced equipment and software~~
8 ~~at Iowa community colleges in order to support training and~~
9 ~~coursework related to the targeted industries.~~

10 d. For establishing and administering the programs described
11 in section 15.411.

12 Sec. 29. Section 15E.52, subsection 1, paragraph c, Code
13 Supplement 2011, is amended to read as follows:

14 *c. "Innovative business"* means a business applying novel
15 or original methods to the manufacture of a product or the
16 delivery of a service. *"Innovative business"* includes but
17 is not limited to a business engaged in ~~a targeted industry~~
18 ~~as defined in section 15.411~~ the industries of advanced
19 manufacturing, biosciences, and information technology.

20 DIVISION III

21 OTHER ECONOMIC DEVELOPMENT CHANGES

22 Sec. 30. Section 15.106A, subsection 1, paragraph o, Code
23 Supplement 2011, is amended to read as follows:

24 *o.* Establish one or more funds within the state treasury
25 under the control of the authority. Moneys deposited in or
26 accruing to such a fund are appropriated to the authority for
27 purposes of administering the economic development programs in
28 this chapter, chapter 15E, or such other programs as directed
29 by law. Notwithstanding section 8.33 or 12C.7, or any other
30 provision to the contrary, moneys invested by the treasurer
31 of state pursuant to this subsection shall not revert to the
32 general fund of the state and interest accrued on the moneys
33 shall be moneys of the authority and shall not be credited to
34 the general fund. The nonreversion of moneys allowed under
35 this paragraph does not apply to moneys appropriated to the

1 authority by the general assembly.

2 Sec. 31. REPEAL. Sections 15.103 and 15.104, Code
3 Supplement 2011, are repealed.

4 Sec. 32. HOUSING ENTERPRISE ZONE TAX CREDIT ISSUANCE.

5 1. Notwithstanding section 15E.193B, subsection 4, the
6 authority may issue a tax credit to an eligible housing
7 business for a project not completed within two years from
8 the time the business began construction if a city failed to
9 file the appropriate paperwork with the authority requesting
10 an extension for the project pursuant to section 15E.193B,
11 subsection 4.

12 2. The authorization described in subsection 1 only applies
13 to projects for which a city failed to file an extension
14 between January 1, 2007, and January 1, 2008, and only to
15 benefits earned for a project between February 8, 2005, and
16 February 8, 2008.

17 DIVISION IV

18 FILM TAX CREDIT PROGRAM

19 Sec. 33. Section 2.48, subsection 3, paragraph c,
20 subparagraph (5), Code 2011, is amended by striking the
21 subparagraph.

22 Sec. 34. Section 15.119, subsection 2, paragraph b, Code
23 Supplement 2011, is amended by striking the paragraph.

24 Sec. 35. Section 422.7, subsection 52, Code Supplement
25 2011, is amended by striking the subsection.

26 Sec. 36. Section 422.33, subsections 23 and 24, Code
27 Supplement 2011, are amended by striking the subsections.

28 Sec. 37. Section 422.35, subsection 23, Code Supplement
29 2011, is amended by striking the subsection.

30 Sec. 38. Section 422.60, subsections 10 and 11, Code
31 Supplement 2011, are amended by striking the subsections.

32 Sec. 39. Section 533.329, subsection 2, paragraphs f and g,
33 Code Supplement 2011, are amended by striking the paragraphs.

34 Sec. 40. REPEAL. Sections 15.391, 15.392, 422.11T,
35 422.11U, 432.12J, and 432.12K, Code 2011, are repealed.

1 Sec. 41. REPEAL. Section 15.393, Code Supplement 2011, is
2 repealed.

3 Sec. 42. EFFECTIVE UPON ENACTMENT. This division of this
4 Act, being deemed of immediate importance, takes effect upon
5 enactment.

6 Sec. 43. RETROACTIVE APPLICABILITY. This division of this
7 Act applies retroactively to January 1, 2012, for tax years
8 beginning on or after that date.

9 Sec. 44. APPLICABILITY. This division of this Act does not
10 apply to contracts or agreements entered into on or before the
11 effective date of this division of this Act.